

Heritage-led Urban Regeneration as a catalyst for Sustainable Urban Development

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ABSTRACT: It is without doubt, the conservation of a nation's cultural heritage is of crucial prominence, as it embraces the sense of belonging and is a major component of quality of life. It also plays a substantial role towards the foundation of the future. In the context of developing countries, large number of cities are enjoying significant cultural heritage embodied in their built environment, specifically within their urban heritage centers. However, such cities face the risk of losing their distinctive character while they strive to modernize, in order to overcome the multiplicity of pressures accompanied with different effects, notably as globalization on one hand and urbanization on the other. Whereas the conservation is an effort of utilizing the past for useful modern functions, different approaches are aiming to draw a balance between conservation and development through acceptable degrees of change, where heritage-led urban regeneration projects are considered as a category. In essence, interventions to conserve architectural landmarks and upgrade infrastructures in heritage cities facing urbanization challenges are of sound significance. Special attention is needed to conserve the urban tissues shaping unique sense of place and character. This research investigates the economic strategies for urban regeneration projects utilizing urban heritage centers to provide sustainable urbanization and inclusive growth. It highlights the role of urban heritage assets in differentiating cities along with their competition to mobilize investments and promote local economic growth. The paper investigates a framework of heritage economics that requires a holistic approach interpreting heritage as an asset, with the central question being about identifying the different values of such assets. Different valuation methods are introduced within the notion of total economic value, to assess the contribution of a heritage asset in investments regenerating the economic basis of old cities. A struggle between symbolic significance of heritage cities/towns, their urban form, and the distinctive spirit of place and the many economic and political agendas that are diminishing the heritage sites and sense of place is identified. The paper revitalizes the lost standing identity of old heritage cities, which would aid developers and stakeholders towards a more socio-economic sustainable development strategy. In addition, supports sustaining, preserving and conserving the city's symbolic significance of heritage buildings and distinctive sense of place.

1 INTRODUCTION

The context of developing countries embodies a number of cities that are enjoying unique local characters shaped by their cultural heritage. Such distinctiveness is covered by the mixture between tangible and intangible cultural components, as arts, music, rituals and notably the built environment (Serageldin, 1999; Elnokaly & Elseragy, 2017). This study focuses on the cultural aspects represented in the built heritage, specifically within urban heritage city centers. Their explicit significance lies in the forms of liveliness embodied within their urban fabric and street patterns, marking them as places of attraction for the specific live, work and play activities (Strange, 1997; Elnokaly & Elseragy, 2012).

In addition, those heritage city centers are considered as meaningful places for the hosting communities, as they shape their sense of belonging deriving feelings of pride. Hence, cultural heritage is also seen to play a vital role in societal and community well-being (Tweed & Sutherland, 2007). The latter premises direct the main purpose of heritage conservation, where a con-

tinuation is to be built between the past and present of a nation, underlined with the inherited legacies left to function as a foundation for the future (Meeks & Murphy, 2016).

These heritage legacies are facing intensive pressures rising mainly due to rapid urbanization; a notion resulted from population growth and rural migrant's influx. Accordingly, the emerging needs of inhabitants multiply at a fast pace, whilst decision makers focusing to fulfill such growth aspirations, mainly by supporting the livelihoods through creating job opportunities, while upgrading the deteriorated urban infrastructure. Consequently, the latter cities – enjoying unique cultural characters – are challenging such phenomenon, putting them in the front line to combat the conflicts between conservation and development (Licciardi & Amirtahmasebi, 2012).

In essence, cities in developing countries need to recall a broad multilateral strategy to manage the conflicts arising between the needs for conservation and development, through acceptable degrees of change (Licciardi & Amirtahmasebi, 2012). Whilst for cities to succeed in such premises, the planning systems must include sustainability principles utilizing all the available resources at play. Among those resources stands the built heritage, which is to be considered as an incubator for inclusive growth, along with considering the notion of heritage conservation as an interpreted vitality to sustainable development (Rypkema, 2004). Heritage-led regeneration then is regarded as a credible notion utilizing urban heritage assets to be among the resources promoting for sustainable development (AFD, 2012).

The consideration of the built heritage as a pillar for sustainable urban development is of increasing interest. Governments across the Globe and institutions have increasingly recognised the value of cultural heritage. For Example, the Council of Europe, has opened a treaty for ratification on the topic of cultural heritage for over a decade now and has since been meeting annually to upgrade and develop, called Council of Europe Framework Convention on the Value of Cultural Heritage for Society (CoE, 2005).

However, dealing with urban heritage in the context of developing countries is more controversial, since the robust challenges embodied in the social, economic and environmental aspects often lead to the loss of the uniqueness of such cities while they strive to develop. Consequently, a number of cities fall into unplanned transformations, especially when associated with weak governance and inadequate intervention strategies (Licciardi & Amirtahmasebi, 2012; Elnokaly & Elseragy, 2013).

In particular, the economic pressures facing decision makers often direct their main efforts to create job opportunities for the increasing inhabitants, with scant attention being given to the conservation of a differentiating urban heritage character. Moreover, the vast majority of methods and action plans of identifying and protecting built heritage are often stalled at the designation (listing and conservation areas) stage, where intervention strategies are more suitable to deal with a singular heritage asset rather than with a whole urban heritage area and the many other less tangible features of townscape (Steinberg, 1996).

Successful heritage-led regeneration experiences attest the correlation between economic success and conserving urban heritage shaping the differentiation of a city. The issue is about implementing a successful strategy that considers – at early stages – urban heritage assets as founding capital that underpins a city's differentiating character.

Concomitantly, a framework of heritage economics requires a holistic approach interpreting heritage as an asset, with the central question being about identifying the different values of such assets. Different valuation methods are introduced within the notion of total economic value, to assess the contribution of a heritage asset in investments regenerating the economic basis of heritage cities. This paper applies the latter methodologies on the old heritage city/town center in heritage cities. In an attempt to study the interrelations between the utilization of urban heritage assets, to protect the differentiating sense of place, and economic aspects for heritage-led regeneration, whilst meeting the growth aspirations of the inhabitants of heritage cities and towns (Elseragy et al., 2017; Lee, 1996).

2HERITAGE ECONOMICS IN SERVICE

Economics is now playing a substantial role in different aspects of life; its role is also growing in the fields of arts and culture (Rizzo & Towse, 2016; Wheatley and Bickerton, 2017). Within the heritage discourse, economic regards are increasingly placed prior to social, political, cultural or

even aesthetic values. When it comes to conservation decisions, powers of economic thoughts make considerable challenges regarding what aspects of heritage should be conserved (Mason and Avrami, 2002). Perhaps such strong influence is due to the daunting economic difficulties that place decision-making processes in struggle between obstacles and opportunities, in a context of scarce resources. A justification to the rise of economic thinking in recent times mentions rapid urbanization, globalization and predominance of market-based approaches over social aspects, among the reasons to such thinking. (Elnokaly & Elseragy, 2013; The Getty Conservation Institute, 1998).

Nevertheless, the inclusion of cultural heritage assets in policies and development plans received higher focus. This is due to the increasing public interest in the benefits of heritage as whole. Many development plans recognise heritage as a method of stimulating economic activity, especially within cities in developing countries embodying valuable heritage assets (Bowitz & Ibenholt, 2009; Serageldin, 1999; Elnokaly and Elseragy, 2013). For instance, such direction was mentioned in the context of heritage tourism sector by (Li, 2003) when he mentioned that Singapore and Hong Kong incorporated cultural heritage in their tourism sector “both cities have been attempting to develop their tourism economies by communicating their unique cultural heritages to global tourists.”

2.1 Drivers for urban regeneration: a tool for self-betterment

Changes are undergoing in cities since the past decades, due to a number of emerging challenges namely as urbanization, urban sprawl and urban decay. The latter premises encouraged cities to try overcoming such challenges by using urban regeneration as a tool for revitalizing their existing urban structures while making better use of the existing fabric. In addition, cities aim to reflect the growth aspirations of their increased inhabitants through promoting for social and economic sustainability.

In the highlight of such intriguing motion, the dynamic nature of cities required them to be in a state of continuous monitoring. Since the robust pressures that are expected to occur on cities within the upcoming decades (Saunders, 2010) open the call for a systematic approach towards innovative solutions to meet the growth aspirations of the current and expected future inhabitants (UNESCO, 2008).

Urban regeneration was introduced as a tool for upgrading the services provided by cities, being it social, economic or environmental. Urban regeneration takes place to be one of the most emerging concepts in urban planning discourse, as for its very nature of dealing with existing structures and living communities. This requires considerable balances between adequate interventions for improvements whilst bearing into consideration the existing socio-economic networks.

However, the existing fact of uniqueness of each case in every city and its own context, but in today's world most cities are sharing common drivers and a number of goals.

Despite the variety of aims between cities and the variety of benefits that each case is willing to reap, but there is a number of key drivers informing the desire of cities for urban regeneration and renewal, as the following stated in (Tiesdell et al., 1996): Maximizing tourism revenues; Boosting urban productivity; Creating better livelihoods; Attracting increased investments; Enhancing affordable housing; Improving existing infrastructure.

2.2 Built heritage and sustainable development

Built heritage is indeed an imperative part of the cultural heritage of towns and cities. Still the definition of built heritage is still dominated by conventional conceptions of architectural and historical value and lacks the cultural perspective. Hence, the protection of individual buildings and monuments are conveyed in the listings and conservation areas, and are addressed directly by existing legislation (Hassler et al, 2002). Tweed and Sutherland (2007) refers to cultural heritage, as an increasingly expansive category that embraces a diverse collection of phenomena. To some extent because of its greater inclusiveness that heritage is now recognised as vital to many people's sense of belonging and cultural identity (Elnokaly & Elseragy, 2013).

The definition of sustainable development in the Brundtland Commission report (WCED, 1987) is still as valid today as when it was coined in 1987, conceivably as it is vaguely detailed, and so is open to interpretations that allow different stakeholders to apply it as per their understandings. The most common model used today is the 'three pillars' model (Keiner, 2005; UNIDO, 2005) that puts the problem in perspective through identifying three dimensions: environmental, economic and social. However, when examining built heritage, there is manifested the tangible and intangible heritage including the culture of built heritage. Concomitantly, in the context of this paper the definition of sustainable development that elaborate on the notion of culture as the fourth pillar of sustainable development along with the social, economic and environmental dimensions is used (Nurse, 2006; Elnokaly & Elseragy, 2007b).

2.3 Urban regeneration and sustainable development

The facts of complexity and dynamism of urban areas reflects the fundamental drivers generating any system of urban change. Every city/town - especially ones of heritage character - is prone to change, leaving them at crossroads between choosing to adapt and renew, or to neglect and decline. From this point, urban regeneration appears as the resultant of synergetic response between such drivers of change, being them physical, environmental, social or economic (Jacobs, 1961).

Following the different models of urban regeneration in the vast majority of success and failure stories, it could be stated that the manipulation of the fundamental drivers controls the speed and size of the urban change. The manipulation is expressed in (Roberts & Sykes, 2008) by: technological development; economics progress and social awareness.

Historically, urban regeneration developed extensively to contain a certain theme that dominated the concern of urban change such as housing, health, livelihoods and sprawl. The latter does not mean that previous concerns do not apply for current or upcoming regeneration schemes, rather, it means that designing and implementing urban regeneration schemes requires careful interpretation of nowadays and futuristic concerns.

As stated by various scholars and reports (AFD, 2012; EPOCH, 2005; Fosse & Le Tellier, 2017; Elnokaly & Elseragy, 2013) sustainable development continues to dominate most political and decision-making plans, which opens the chance to ensure that contemporary regeneration schemes must ensure that all objected areas must develop according to the principles of sustainable development (Tweed & Sutherland, 2007).

2.4 When to urban regeneration

On investigating the quest to understand, when an urban regeneration takes place, it is recommended first to analyze the nature of urban areas and especially urban heritage town/city centers. Basically, all urban areas are prone to continuous change (Lynch, 1960), which is mainly due to the natural cycle of obsolescence and decay in buildings and eventually in urban fabrics. Such obsolescence occurs when a gap arises between the services offered within an urban fabric and growing needs of urban inhabitants of present times (Tiesdell et al., 1996).

At such premises, urban regeneration is utilized as a tool to reconcile such gap, objecting to address the two main sources for obsolescence, which are: Physical Fabric and Economic Structure.

Before spotting on the reconciliation of the two factors, it is necessary to highlight that the main challenge facing urban heritage centers in their obsolescence cycle, is that they have to cope with changes in their economic basis while retaining their significance embodied within their physical fabric.

In such cases, it is particularly important that conservation policies set a careful balance between conservation objectives and development goals (Hassan et al., 2008; Elnokaly & Elseragy, 2013). In other words, balancing between a unique environmental quality and a revitalized economic base is the key challenging issue of heritage-led regeneration of urban heritage city centers. Elnokaly and Elseragy (2013) study indicates that urban conservation is a continuous process of change and development rather than romanticism or radical redevelopment.

On the scale of the ‘physical fabric’ formed by buildings and their network of streets, the adaptation to modern times and their needs could be achieved through various modes of regeneration, notably as refurbishment, adaptive reuse and replacement (Stas, 2007).

Whereas in terms of ‘economic structure’, regeneration could arise through changes in activities either by introducing new uses replacing the existing running ones, such action is known as ‘functional diversification’ (Elseragy et al., 2017). Another spectrum of modifying activities’ is through conserving the existing uses whilst allowing them to operate more efficiently and profitably, which is an action known as ‘functional regeneration’ (Lichfield, 1988).

Although the physical regeneration offers appealing results and a well-presented urban fabric, however, to sustain such image on the long term, a deep economic regeneration is required for two main reasons.

First, it is an ultimate private-sector realm that comprises the internal uses and activities within buildings that pays for its external maintenance and presentation, which is in favor of the urban public realm. Second, and particularly in developing countries, in the absence of sufficient public’s budget allocations directed to conserve the urban heritage fabric, sustained investments are required to intervene, through certain economic uses, which is also to prevent the result of an ‘outdoor museum’. Returns on investments provide the sufficient budgeting required in regenerating and maintaining the urban heritage fabric on sustainable basis.

Moreover, it is important to highlight that the social public realm of any urban heritage context must be pivoted in the center of any regeneration process. As the regenerated buildings provide the physical domain of the urban realm, the urban realm is a social structure in its very nature “since architecture is a social activity, building is also a social statement and the creation of a cultural legacy” (Roth, 1998).

Therefore, to maintain the vibrancy of an urban heritage context, an ‘authentic’ approach needs to be taken, where the original inhabitants should be in the heart of the regeneration process.

3 THE CONTEXT OF HERITAGE ECONOMICS

The history of the relationship between economics and heritage conservation shows a state of rejection and opposition mainly from heritage advocates (Strange, 1997). Urban regeneration and development projects taking place in historic districts tends to attract a variety of economic activity and competition between varied stakeholders, hence, encouraging both current and new inhabitants and visitors to revisit and rediscover these renovated vicinities of their cities. Yet, as previously mentioned, economics is now considered as a part of the heritage conservation in contemporary times. Nevertheless, such relation places heritage conservation in crossroads between two paths. First, it may be used by economics for the sake of development plans; second, it may use economics for the sake of sustainable conservation actions (Elnokaly & Wong, 2015; Jagu, 2005).

However, relevance between the uses of economics in heritage conservation is influenced by a number of challenges and opportunities. For a better understanding of such relation, this paper highlights the main influences from heritage to economics and the opposite: transfer in power; from experts to public; interrelated disputes; close rapprochements; speaking the same language.

3.1 Transfer in power; from experts to public

Since the emergence of the idea of cultural heritage in general and its specific typologies as urban heritage, it was considered as an important form of well-being for communities. Thanks to its vast categories of values that embrace diversity and inclusiveness, and what it contributes to the sense of belonging and identity.

However, such values were solely determined by heritage professionals and architectural historians, heritage was in the hands of experts, in other words. Nowadays, the case is becoming much different, as heritage moved to be in power of public. In such premise, Warren, Worthington and Taylor (1998) states “in the historic environment, however, the community moves into a pro-active architectural role, declaring its concern for all aspects of the historic structures.”

Such premise was also discussed by many scholars (Dupagne et al., 2004; Tweed & Sutherland, 2007; AFD, 2012), concluding that considering cultural heritage witnessed two main modalities: Heritage designation and Heritage by appropriation.

‘Heritage by designation’, as quoted in (Tweed & Sutherland, 2007) “is the traditional process through which heritage is applied as an honorific label to sites, buildings and other cultural objects by experts”. Such process comprises limited contribution from the public, with less controversies and more precise predictability. However, in such cases many non-conventional heritage legacies do not receive much recognition and may not be designated as heritage legacies. While ‘heritage by designation’, is defined as “generally emerges from public behavior rather than through organized lobbying” (Tweed & Sutherland, 2007). This type of consideration highlights an increasing pattern of ‘democratizing’ heritage, where the public plays a greater role in considering what could be nominated as a legacy. Consequently, contrasted to the latter typology, more public impeachment arises, with no supremacy of a cultural elite could be taken for granted (Shusterman, 1992).

This exchange in balances of powers generated a ‘crisis of value’; such fact can be witnessed in the relative change of considering the heritage assets separately, into considering the setting where they are located. In addition, the crisis expanded to influence the mere basics of what is the heritage. Within such context, experts in the designation process previously answered the question, whilst today in the name of appropriation; the answer is aided by anyone interested. Notably, the crisis also made a room for using and searching for all the possible types of values, in order to answer the question about capturing the full value of a heritage environment (Throsby, 2001).

On the other hand, modern economics also witnessed a shift towards rejecting the concept of supreme value that should be detected, as (Cabe, 2005) cites “the great insight of modern economics is that there is no such thing as intrinsic value”.

To conclude, when heritage conservation is related to economics, two particular aspects of heritage influence such approach and needs to be addressed.

First, valuing cultural heritage in general and urban heritage in specific is done in different and sometimes conflicting ways. The various values associated with any heritage asset need to be matched with the numerous stakeholders engaged, and not all of them will be satisfied. Second, for the recent public domination, heritage conservation decisions must continue to sustain the domain of public interest and good. Therefore, the heritage economics field is ought to prove what deems important by how much the public values it, which is far from being an easy task (Jagu, 2005; Elseragy et al., 2017; The Getty Conservation Institute, 1998).

3.2 Interrelated Disputes

Despite the historic presentation that heritage conservation and economics are conflicted in interests, it is possible to define their interrelation and their played roles within societies. In order to understand how heritage and economics react, one may follow Stewart Brand (2000) when he proposed the six levels of ‘order of civilization’. The order starts with fashion and commerce, moving to infrastructure and governance, ending by culture and nature as depicted in Figure 1.

Brand (2000) stated that the ordering of the levels resembles their pace of change. The first pair of fashion and commerce comprises economy, the second pair of infrastructure and governance signifies society. The last pair of culture - where heritage lies within - and nature comprises products of societies and settings for entire human activities, respectively.

According to such premise, heritage - embodied within the sphere of culture - does not evolve with the same speed as economics (Cassar, 2009), highlighting the society’s different perceptions towards both notions, and perhaps why such historical dispute evolved.

However, to move forward towards filling the gap of understanding how economics relates to heritage and conservation, we must recall the nature of both fields. Like considering that economics is a social science that focuses on the individual’s behavior and the characteristics of a society (Frey, 1999). Such characteristic enables it to contribute in a number of different fields, such as arts history, anthropology, architecture and namely other disciplines that are closely related with heritage conservation.

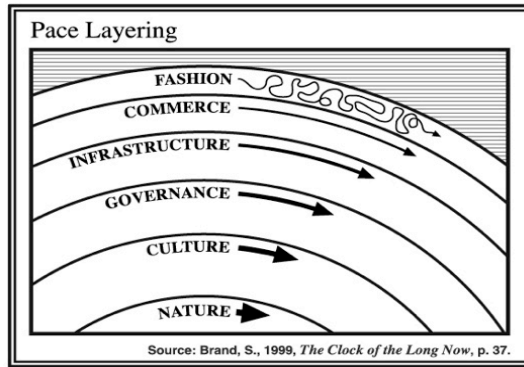


Figure 1: Order of civilization, Source: The Long Now Foundation

Even though economics continues to influence the heritage conservation field in a number of ways, such as policy-making, stewardship and decisions that, may encourage or discourage using heritage, simply by controlling the finance over heritage-related projects (The Getty Conservation Institute, 1998).

Yet, the controversies arising between the use of economics in heritage conservation is mainly due to fears that utilizing economic valuation would reframe the heritage sector in public's mind. In other words, ambiguities were not concerned with the interception of economics in a field of non-market goods, but were about that the public would reframe heritage as a form of entertainment not culture heritage and identity (Jagu, 2005).

3.3 Close rapprochements

The later concerns about reframing the heritage field lead by economics happened to a certain extent, but somehow towards considering what kind of benefits it generates. This premise is understood in the highlight of considering heritage as a form of asset within the capital theory (Licciardi & Amirtahmasebi, 2012). The principle is that a number of cultural aspects including urban heritage and buildings were regarded to have all the characteristics needed to be identified as a capital asset. Such issue was raised by Thorsby (1999), when he argued that the influence of such aspects on the general human life and specifically on economic systems were not properly identified by considering them as mere conventional form of economic capital - namely as physical, human and natural capital. Therefore, he proposed that, such cultural aspects have to be incorporated within a new concept of 'cultural capital' as to reframe their role in economic matters (Thorsby, 1999).

Albeit the use of economics in the heritage sphere is uncommon and with regards to recent interpretations to such interception, one would question why such rapprochement between both fields increase and what is the rationale behind it?

Basically, the field of heritage conservation cannot be considered as charity. In other words, heritage for the sake of heritage did not prove enough in many cases, as stated "it would be naïve to assume that the preservation of urban ensembles that do not qualify as heritage sites can be conducted on a philanthropic basis" (Licciardi & Amirtahmasebi, 2012). Such premise meant that the heritage sector had to justify its own benefits within other disciplines - heritage had to be aided by other sectors.

In addition, development patterns outreached the exclusively heritage considerations, especially ones caused by rapid urbanization. For instance, many heritage relics are left neglected or irreversibly destroyed. This happens not because people enjoy spoiling their heritage, but because they need to gain more economic benefits, namely as building new estates, unfortunately that may be replacing other heritage ones. Moreover, regarding that heritage is characterized as a public good, governments are ought to protect it. Many governments - especially in developing countries - do not realize the total benefits of heritage, and if they do, pressures of development seem more reasonable to work against them (Serageldin, 1999; Elnokaly & Elseragy, 2017). Heritage in such context have to compete with other sectors such as education or healthcare, and even have to prove more economic worth (Ruijgrok, 2006).

The last rationale of rapprochement is regarding the problematic nature of heritage conservation itself. If the case was the opposite and that people and governments are recognizing the total benefits of heritage, financing the conservation process plays a crucial role. Costs of conservation cannot be ignored, to provide adequate maintenance of heritage assets in addition to creating other assets that could provide other complementary services (Jagu, 2005). Moving further with such complexity, besides knowing how much does conservation cost, the heritage sector is ought to know how much benefits are generated from conservation. The complexity is concluded, “here lies a fundamental problem for heritage - the costs of heritage are highly visible in the budgets of government funding, but the benefits are less visible, often intangible and difficult to capture in conventional terms” (EPOCH, 2005).

3.4 Speaking the same language

The revealed interrelation between heritage and economics meant that both fields have a chance of reasoning, yet, a need for a common language is necessary for fulfilling such issue. Particularly, the heritage sector is ought to open the door to understand how other fields perceive heritage. Also, to ensure its long-term viability, it needs to take part efficiently in debates conducting decisions, by proving that benefits of heritage-led projects surpass their costs. For such purpose, heritage has to learn to ‘speak the same language’ (Throsby, 2001). Hence, for this to happen, heritage sector needs to first how economists approach the field, and what are their tools, concepts and practices of using economics in heritage and using heritage in economics.

The common ground between both fields is that they are both about values. The basic question about the importance of a heritage asset and the strong marketplace of a product is how much value does people ascribe to them. As Throsby (2001) clarifies, “it can therefore be suggested that value can be seen as a starting point in a process of linking the two fields together, that is as a foundation stone upon which a joint consideration of economics and culture can be built”.

Such interplay was used to define the placement of economics within the heritage field, which generated an economic value for heritage. Basically, the economic value of heritage is the “amount of welfare that heritage generates for society. A broad definition of welfare is used here, encompassing both material and immaterial forms of welfare” (Ruijgrok, 2006).

While, heritage is considered as a public good, capturing its total value is accompanied with a number of difficulties. Different values ascribe to heritage, but to further clarify this, it is important to undertake a basic discussion of how economists see the values of heritage. First, economists try to capture the value of various strands of heritage, like an urban heritage center or a heritage landscape. Since such aspects have no market price, they are not traded by conventional means. And if there were a market price for them, it would not capture their ‘full’ economic value, such as their societal value.

Second approach of economists questions the positive impacts of heritage investments on the local economy, such as job creation and return on investments. Such approach does not aim to measure the exact value of culture; rather it aims at capturing the spillovers of heritage investments (Bowitz & Ibenholt, 2009). Such direction is essential for aiding the decision-making process, as decision makers are increasingly demanding evidence in general and for heritage-led projects in specific.

The appeal towards evidence-based decisions in heritage is not surprising; such direction witnesses a global shift in many governments in their economic and political agendas. This premise is discussed in (Gertler et al., 2011) by stating, “This growing global trend is marked by a shift in focus from inputs to outcomes and results, and is reshaping public policy.”

This means for the heritage sector that it will be included in decisions requiring adequate information, justified results and reasonable evidence. However, this does not mean that heritage will end up within economics, but economics will play a role of advocacy to support and justify heritage-related decisions.

For heritage-economics interplay to be efficiently in use, it is essential to define two main premises: first, what are the different values embodied in urban heritage, second, what are the suitable valuation methods used capture those values. Notably, such definition must clearly answer queries regarding the strengths and limitations of detecting values and choosing suitable valua-

tion methods, in order to understand how such premise could help achieve conservation objectives.

4 VALUE AND VALUATION

In both practical and theoretical patterns of heritage economics, the determination of values is considered as the basic core. In the theoretical field of urban heritage, and in the essence of cultural capital, the presence of the cultural value is the form of capital that highlights the uniqueness of urban heritage and distinguishes it from other forms of capitals. Whilst in the practical field, the decision-making process faces problems to designate suitable values for urban heritage assets, including the services they provide, being them cultural, economic or a combination between both.

In accordance with valuating natural assets, the identification of the economic value of urban heritage assets depends on differentiating between ‘use’ and ‘non-use’ values, also mentioned as ‘market’ and ‘non-market’ values, both notion represents what is known as ‘total economic value’ (Elseragy et al., 2017). The concept is to differentiate between the provision of heritage values offered to consumers as direct services, often provided as a private good, and the accrued values provided from the experiencing heritage benefits, often provided as a public good. The Total Economic Value as defined by Serageldin (1999), incorporates both use value and non-use value as seen in Figure 2.

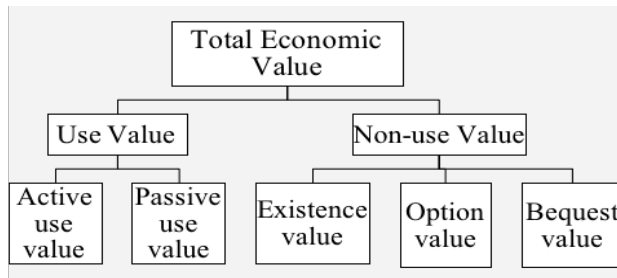


Figure 2: Total economic value (Serageldin (1999))

Fundamentally, the ‘use value’ of heritage assets is considered in a number of ways, according to the context that it is located in or the type of activity that is taking place within. On the scale of buildings for instance, they may accommodate commercial activities, hence they provide retail, offices or hospitality spaces for tenants and users. In such case, the amount of paid rents indicates the building’s use value. The idea is also similar if a building is used as a private residence, the rent amounts measure the value of the services provided by the asset.

Whereas on the scale of heritage assets - buildings and sites - considered as touristic destinations, the benefits enjoyed by tourists individually - because of their visit, reflect the use values of such assets. In the latter case, the paid price of entry provides a financial indicator, enabling to determine of the accumulation of the ‘total use value’ of an asset within an interval of time. Despite that such determination offers and estimation of the financial return, the consumer’s surplus of tourists needs to be included in order to offer an entire economic use of services. As in many touristic heritage sites, the use values may include the incomes resulting from the commercial activities of a site, such as tourist offices, food and beverage and gift shops.

It is important to differentiate between active and passive uses of a heritage asset. The active use is highlighted in the above discussion, whilst the passive use is engendered due to the incidence of user’s experiences, typically like when a pedestrian passes by a heritage asset and enjoys its aesthetic beauty. Such benefit may carry a financial value in theoretical terms, but it is usually expelled in the practice of calculating the economic value of heritage assets, because of the ambiguities accompanied when detecting appropriate benefited stakeholders and their willingness to pay to protect such benefit (Licciardi & Amirtahmasebi, 2012).

The ‘non-use value’ of heritage assets could be also determined in accordance with determining the non-market values of environmental assets. Three typical non-rival and non-excludable values exist for any urban heritage asset and are perceived as public goods (Licciardi & Amirtahmasebi, 2012):

- *Existence value: When a population values the existence of a heritage asset, even when they do not directly consume the services it provides.*
- *Option value: When a population wishes to maintain the option of consuming the services of a heritage asset, at some later point in the future.*
- *Bequest value: When a population wishes to bequeath a heritage asset to an upcoming generation.*

Although non-use values may strongly influence the total economic value a heritage asset by creating its market differentiation, but, in general, they are not monitored in market transactions, as for the difficulties of creating a market for changing their rights to them. Yet, valuation methods approaching the estimation of non-use values of heritage assets are developing since the past decade, such approaches were influenced from the similarities between the heritage and natural capitals. Well-known methods of valuation include contingent valuation methods and choice modeling approaches (Choi et al., 2010) discussed in the following section.

5 THE NEED FOR ECONOMIC VALUATION

As previously mentioned, one of the central rationales explaining the recent interest of using economic valuation techniques in the urban heritage fields is the concept of ‘scarcity of resources’. Despite the revealed socioeconomic benefits of urban heritage conservation, and its significant role in contemporary societies, the rise of development pressures continues to increase. As a result, the heritage sector finds itself in a state of competition with other sectors, also with socially favorable objectives, such as transportation, education and healthcare.

On the other hand, heritage conservation has been perceived for a long time as a luxury, with costly visible budgeting for funding, and less visible benefits difficult to catch in conventional terms. Therefore, decision makers find themselves in a desperate need for economic justifications to explain the way they allocate ‘limited’ resources among such different sectors. In the UK for instance, any projects that are publicly funded must be subjected to what is known in economics as ‘ex ante appraisal’, meaning that all governmental departments must undertake, whenever possible, project’s appraisal prior to decisions (Peacock & Rizzo, 2008).

Consequently, the framework of heritage economics treats heritage assets as forms of capital generating a range of benefits and goods where they are set, “heritage assets are economic goods” (Provins et al., 2008)

Eventually, a fundamental question is raised, why do we need economic valuation?

To secure resources used for heritage conservation in such context, credible information is required to prove that what is paid is worth the benefits. Economic valuation techniques are used to evaluate such premise, noting that those techniques are not trying to set a price on heritage assets, rather, they try to set a price on a heritage-related project.

This means that economic valuation should guide the ranking of a project compared to other alternatives and the efficient use of allocated resources (AFD, 2012). To better relate, the upcoming section will present a brief about principles, methods, advantages and limitations of using methods of economic valuation in urban heritage conservation.

In effect, economic valuation of heritage assets is far from being an easy task, as this paper explained, any heritage asset embodies use and non-use attributes. The first could find a way to be expressed or measured in monetary forms; whilst the second contains the most problematic concerns, as it could hardly be expressed in monetary terms (Licciardi & Amirtahmasebi, 2012).

What economic valuation do is trying to put a price on heritage projects bearing into consideration the use and non-use attributes of an asset, using the same framework of working with environmental assets (Serageldin, 1999; Rypkema, 2004).

This link between heritage and environmental sectors is based on three major assumptions (Hanley et al., 2001; Eppink et al., 2016):

- Both contain use and non-use values, market and non-market respectively.

- Both are fixed, scarce and irreplaceable, it is not possible to replace tropical forests neither heritage buildings, even with the flow of time.
- Their loss has severe impacts on societies than any other goods.

Many studies discussed issues of similarities between environmental and heritage economics, some sought to link it with historical attributes, others linked them with their relative uniqueness (The Allen Consulting Group, 2005; Hanley et al., 2001; Eppink et al., 2016; UNESCO, 2006). Despite that, the backgrounds of moving forward to applying valuation methods on both capitals are mainly based on the three assumptions mentioned previously. Yet, such concept borrowing between both fields should be met with careful cautions, as some distinctions exist. One distinction is found in the nature of heritage assets, namely their contribution in shaping identities and sense of place. The second is found in the nature of economics, which is the outcome-process issue.

Economics value outcome over process, whilst conservation is recognized as a process, it cannot provide how to value the process, same as outcome is valued (The Getty Conservation Institute, 1998).

Hence, there is a need to define some key issues to conduct a thorough foundation for using economic valuation in heritage fields; this implies understanding firmly the potential benefits and limitations of such use.

The economic judgements of such valuable public goods regarding their conservation or maintenance are considered to a great extent as a public task, a job of the government. The dilemma in such premise is not the question of justifying the costs in the light of societal values. Rather, it is the choice of the suitable valuation method to capture the total economic value of heritage cities/towns and areas, and to prove the 'additionality' of such expenses using impact studies. In addition, there is no generic application for economic valuation in heritage conservation; each case is different in nature, circumstances and objectives (EPOCH, 2005)

6 CONCLUSIONS

This paper aimed to understand the general issues regarding to the conservation of urban heritage centers. It emphasized on the economic aspects of conservation, presenting the different challenges and opportunities facing such premises. The key issue is to understand that a successful conservation delivery is a careful balance between conservation objectives and development needs. In addition, the special nature of cities was introduced as an intriguing place of dynamism that requires continuous interventions. The urban heritage assets included in heritage centers of cities face increasing threats of being lost because of the notable pressures on cities. Conservation objectives must assure that such assets are considered as a pillar for development and not as an obstruction. Moreover, urban regeneration is introduced as a tool for self-betterment that is able to utilize the earlier mentioned premises.

The paper concentrated on presenting the key economic aspects of heritage-led regeneration, in an aim to build mutual understanding between the use of economics in heritage conservation, and the use of heritage assets in economic sustainability. The latter revealed that the key for such issue is to determine the value of an asset and to assign the suitable valuation method to assess the economic aspects of heritage-led regeneration. The paper highlighted that to get beyond the arguments of heritage versus new we need to fully realise the intangible relations between people and the meanings enshrined in the built heritage. Such an understanding will place us at a better position to arrive at original resolutions that combine the benefits of built heritage with those of new development, assuring a sustainable heritage led planning processes.

Limited studies approached to present the different methodologies of economic valuation of heritage conservation. However, the field requires more investigation, especially in developing countries with clear urban challenges. The researchers emphasize on studying the different hands-on experiences to understand the practical challenges to deliver successful heritage-led regeneration.

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